

**Application No. 09/685,398****Docket No. RSW920000107US1****Reply to Office Action dated December 22, 2004****REMARKS****I. Summary of the Office Action and this Reply**

Claims 1-31 are pending. The Examiner has rejected claims 1, 6-9, 15-16, 21, 22 and 28-31 under 35 U.S.C. §102(e), asserting that such claims are anticipated by U.S. Patent Publication No. 2002/0002521 to Shearer et al. ("Shearer"). Further, the Examiner has rejected claims 2-5, 10-14, 17-20 and 23-27 under 35 U.S.C. §103(a), asserting that such claims are obvious over Shearer in view of U.S. Patent Publication No. 2002/0095362 to Masand et al. ("Masand").

In this Reply, claims 1 and 3 are amended for clarity, without a change in claim scope. No new matter is added. No claims are added or deleted.

**II. Discussion of the Cited Art**

Shearer discloses a financial advisory system for performing financial portfolio optimization calculations that considers whether certain financial products include payment of a "load" (e.g. fee). Each loaded financial product of a set of available financial products is modeled as a loaded portion and an unloaded portion by determining adjusted return for each of the load-bearing financial products based on the predetermined holding period, the current holdings in the load-bearing financial product, etc. then a recommended portfolio of one or more financial products from the set of available financial products is generated based upon the adjusted return of each load-bearing financial product and the expected return of each financial product that is not load-bearing. Paragraph 8.

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The system may include a plan monitoring module for alerting the user of the occurrence of various predetermined conditions involving characteristics of the recommended portfolio. Paragraph 46. For example, the system may alert the user if the nature of the financial products in the currently recommended portfolio has changed such that the risk of the portfolio is outside of the user's risks tolerance range.

Paragraph 47.

**III. Response to 102 Rejections**

A rejection under 35 U.S.C. § 102 is proper only if each and every element of the claim is found in a single prior art reference. MPEP § 2131.

**Claims 1, 16 and 29**

Independent claim 1 is directed to a computer-implemented method of rebalancing a portfolio of assets to achieve optimality. The method includes "transmitting to a customer an alert message for alerting an imbalance status of a customer's portfolio, and a list of recommended rebalancing transactions." Contrary to the Examiner's assertion on page 2 of the Action, this is neither taught nor suggested by Shearer, particularly the portion of Shearer cited by the Examiner, namely, page 1, paragraph 8 and page 6, paragraphs 46-48. As discussed above, Shearer discloses a system for performing load aware optimization calculations, e.g., to identify a recommended portfolio. Further, Shearer discloses that the system may alert the user if the nature of the financial products in the currently recommended portfolio has changed such that the risk of the portfolio is outside of the user's risks tolerance range.

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Paragraph 47. However, Shearer neither teaches nor suggests "transmitting to a customer . . . a list of recommended rebalancing transactions." As described by way of example in the application:

[t]he recommended trading transactions (or "rebalancing" transactions) may include a series of buy and sell transactions for purchasing and selling different stocks and other financial assets. Application, page 8, lines 6-8.

Shearer neither teaches nor suggests transmission to a customer of both (1) an alert and (2) a list of recommended rebalancing transactions. Accordingly, Shearer fails to teach or suggest all elements of claim 1.

Independent claim 1 further recites "receiving from a customer a single response to the transmitted alert message" and "automatically implementing the list of recommended rebalancing transactions based on the received customer's response." Contrary to the Examiner's assertion on page 2 of the Action, this is neither taught nor suggested by Shearer, particularly at the portion cited by the Examiner. Shearer discloses only that the system includes a user interface module 445 providing for data input and output to provide the user with the means of interacting with and receiving feedback from the financial advisory system. Paragraph 48. For example, user interface module and system may provide a web based interface whereby the user can view his portfolio and perhaps initiate a transaction. See paragraphs 27, 30.

In contrast, the claimed invention of allows the customer to provide only a single response, which requires extremely little time and effort on the part of the customer, such as pressing a button, speaking a sound, or touching a screen portion. See application, page 9, lines 6-14. Accordingly, only a single response to the alert message is needed to trigger rebalancing of an entire financial portfolio, and that rebalancing is

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performed by execution of the recommended rebalancing transactions, which may include multiple buy, sell or other rebalancing transactions that would normally require a considerable amount of time and effort the part of a customer, and would be subject to human errors, etc. Further, it is noted that the single response results of execution of the recommended rebalancing transactions, and does not require the customer to determine which transactions are appropriate. Accordingly, recommended portfolio rebalancing transactions can be almost instantaneously and systematically implemented once a customer communicates a decision to rebalances portfolio. Application, page 3, lines 3-12. For this additional reason, Shearer fails to teach or suggest all elements of claim 1.

Independent claim 16 is directed to a system for providing shown a similar to the method discussed above. Accordingly, claim 16 includes similar recitations, and is likewise patentable. Independent claim 29 is directed to a similar method, and is patentable for reasons similar to those discussed above.

Accordingly, reconsideration and withdrawal of the rejection of claims 1, 16 and 29 are requested respectfully.

**Claims 6-9, 15, 21 and 22**

Claims 6-9 and 15 depend from claim 1 and therefore are likewise patentable for the reasons set forth above for claim 1. Claims 21 and 22 depend from claim 16 and are likewise patentable.

Additionally, claim 9 recites that "the implementing step includes . . . generating execution instructions based on the list of recommended rebalancing transactions; and

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transmitting the execution instructions to an electronic trading system, whereby the list of recommended rebalancing transactions are electronically executed."

Contrary to the Examiner's assertion on page 3 of the Action, this is neither taught nor suggested by Shearer, particularly the portion of Shearer cited by the Examiner.

The relevant portion of Shearer cited by the Examiner discloses that:

The present invention includes various steps . . . [that] may be embodied in machine-executable instructions. The instructions can be used to cause a general purpose or special-purpose processor, which is programmed with the instructions to perform the steps of the present invention.

Accordingly, the cited portion of Shearer relates to implementation of Shearer's process/system using machine-executable instructions, i.e., computer software/code. Shearer neither teaches nor suggests "generating execution instructions based on the list of recommended rebalancing transactions", i.e. transaction execution instructions, such as buy 10000 shares of IBM, etc. This "transaction" context is clear from the specification and from the remaining language of claim 9. Shearer only discloses that any instructions may be in computer-executable code. Shearer neither teaches nor suggests preparing a list of recommended rebalancing transactions.

Further, claim 9 recites "transmitting the execution instructions to an electronic trading system, whereby the list of recommended rebalancing transactions are electronically executed." This also is neither taught nor suggested by Shearer.

Claim 22 includes similar recitations.

For at least this additional reason, claims 9 and 22 are believed patentable.

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Independent claim 29 is directed to a method including "automatically triggering transmission of an alert message to a user . . . if the current status of the item has shifted to a second status; receiving a single response of the user to the alert message; and automatically performing a plurality of predetermined actions in response to the single response from the user." Contrary to the Examiner's assertion on page 4 of the Action, Shearer neither teaches nor suggests (1) receiving a single response of the user to an alert message, and (2) responsive to the single response, automatically performing a plurality of predetermined actions. As discussed above, Shearer discloses only the issuing of alerts. Shearer is devoid of any disclosure relating to user responses to an alert, and system actions taken automatically in responsively to the user's single response.

Claims 30 and 31 depend from claim 29 and are likewise patentable. In addition, claim 30 recites transmission to the user of "a list of the predetermined actions is . . . along with the alert message." As discussed above, Shearer relates only to transmission of an alert, and provides no disclosure whatsoever of transmission of a list of predetermined actions along with an alert.

For at least these reasons, reconsideration and withdrawal of the rejections of claims 29-31 are requested respectfully.

#### **IV. Response to 103 Rejections**

A section 103 rejection is proper only if all claim limitations are taught or suggested by the cited art.

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The Examiner has rejected claims 2-5, 10-14, 17-20 and 23-27 under Section 103(a) over Shearer in view of Masand.

**Claims 2-5, 10-14, 17-20 and 23-27**

Claims 2-5 and 10-14 depend from claim 1 and are likewise patentable.

Additionally, claims 2 and 3 recite that "the transmitting step is performed via a first customer-defined communications method" and further includes "automatically retransmitting . . . via a second customer-defined communications method if the step of transmitting via the first communications method was not successfully executed."

Contrary to the Examiner's assertion on page 6 of the Action, this is neither taught nor suggested by Shearer and/or Masand. The portion of Masand cited by the Examiner discloses only that:

[t]he user . . . can set up "alerts" such that when some part of the ecosystem changes in any one of multiple ways, the system will send an alert to the user via email, pager, cell-phone, fax, or any selected method. Paragraph 67.

Accordingly, Masand discloses only that an alert may be sent once, to one of several devices via one of several methods. The singular nature of the method of communication is emphasized in Masand by the use of "or", as emphasized above. Accordingly, not all claims limitations are taught or suggested.

Claim 4 recites that the customer's response constitutes performing a single action by the customer. Claim 5 recites that the single action comprises one of the following: pressing a button, touching a portion of a screen, or speaking a sound. Contrary to the Examiner's assertion, this is neither taught nor suggested by Shearer or Masand, particularly at the portion of Masand relied upon by the Examiner. Applicant

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traverses the Examiner's assertion that Masand's disclosure of "clicking" in paragraphs 64-68 is a teaching or suggestion of the subject matter of claims 4 or 5. Claims 19 and 20 include similar recitations and are likewise patentable.

Claim 10 recites that "the customer's response is contained in a return e-mail from the customer, wherein the return e-mail includes a transaction number identifying the list of recommended rebalancing transactions." The Examiner asserts on page 6 of the Action that this is taught by Masand at paragraphs 64-68. For ease of reference, those paragraphs are reproduced below:

[0064] The user can "click" on a circle and be immediately presented with detailed data pertaining to that entity. The presented data relates to the function used for the color-coding for that circle and thus points to the "conditions" that lead to that color-coding. For example, when a user clicks on a stock color-coded a "deep green" (thus signifying a price change of over 5% to continue our earlier example), clicking on the circle will present the user with relevant news, press releases, analyst recommendations and the like that may "explain" the increase in the stock price.

[0065] In addition, the user can "click" on a line and be immediately presented with detailed data pertaining to that entity. The presented data relates to the function used for the color-coding for that line and thus points to the "conditions" that led to that color-coding. For example, when a user clicks on a line color-coded a "blinking purple" (thus signifying an unequal color-coding of the two end-point circles), clicking on the line will present the user with relevant news, press releases, analyst recommendations etc. for the two end-point stocks juxtaposed side-by-side such that the user can see at a glance why the stock price movements have been dissimilar.

[0066] In addition to the foregoing, the user can email any of their intelligent ecosystems to other users.

[0067] The user also can set up "alerts" such that when some part of the ecosystem changes in any one of multiple ways, the system will send an alert to the user via email, pager, cell-phone, fax, or any selected method.

[0068] Information describing the entities as well as the relationships between them are stored in databases for use in analytic applications.



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Applicant respectfully submits that the cited portion of Masand is devoid of any teaching or suggestion relevant to claim 10. Further, there is no disclosure of any form of customer response to an alert. Thus, not all claim limitations are taught or suggested.

Claim 11 recites that "the customer's response is received on paper, wherein the paper includes an optical code for retrieving the list of recommended rebalancing transactions, and verification information for verifying the identity of the customer. For reasons similar to those set forth above for claim 10, Applicant traverses the Examiner's assertion that this is taught by Masand in paragraphs 64-68.

Claim 12 recites that "the customer's response is received as a voice sound, wherein the voice sound is recognized using a voice recognition device." Applicant traverses the Examiner's assertion that this is taught by Masand in paragraphs 64-68.

Claim 13 recites that "the customer's response is received through a wireless communications network." Claim 14 recites that "the customer's response is received from a financial Kiosk." Claim 15 recites that "the customer's response is received from a computer of the customer using a financial program installed on the computer." As discussed above, Masand is devoid of any disclosure relating to a response to an alert. Thus, not all claim limitations are taught or suggested.

Claims 17, 18 and 23-27 are patentable for similar reasons.

For at least these reasons, reconsideration and withdrawal of the rejections of claims 2-5, 10-14, 17-20 and 23-27 are requested respectfully.

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**CONCLUSION**

In view of the foregoing amendments and remarks, Applicants believe claims 1-31 to be patentable and the application in condition for allowance, and request respectfully issuance of a Notice of Allowance. If any issues remain, the undersigned requests a telephone interview prior to the issuance of an action.

Respectfully submitted,

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